United Nations A/AC.253/24

General Assembly

Distr.: General
17 March 2000
English
Original: English/French

Preparatory Committee for the special session of the General Assembly entitled "World Summit for Social Development and beyond: achieving social development for all in a globalizing world"
Second session
New York, 3-14 April 2000
Item 2 of the provisional agenda*
Preparations for the special session of the General Assembly entitled "World Summit for Social Development and beyond: achieving social development for all in a globalizing world"

Seminar on Values and Market Economies

Note by the Secretary-General

1. In its decision 5,[1] taken at its organizational session in 1998, the Preparatory Committee for the Special Session of the General Assembly on the Implementation of the Outcome of the World Summit for Social Development and Further Initiatives invited Governments to contribute to the work of the Preparatory Committee and the special session and the organization of expert group meetings, seminars, symposia and workshops to be held by the Secretariat on issues of relevance to the special session, both of which would contribute to the consideration of such issues by the Preparatory Committee.

2. Accordingly, in preparing for the second session of the Preparatory Committee, the Department of Economic and Social Affairs of the Secretariat, in cooperation with the Government of France, organized a seminar on values and market economies. The seminar was held in Paris from 19 to 21 January 2000. The seminar brought together representatives from Governments, the private sector, academics, religious organizations, experts from the United Nations system and representatives of non-governmental organizations. The Secretary-General wishes to express his thanks and appreciation to the Government of France for hosting the seminar. The report of the seminar is contained in the annex to the present note.

* A/AC.253/12.
[1] See *Official Records of the General Assembly, Fifty-third Session, Supplement No. 45* (A/53/45), chap. VI, sect. B.

00-35661 (E) 310300

Annex

Report of the seminar on values and market economies, Paris, 19-21 January 2000

Summary

A precedent to the discussion on values, within the official framework of the United Nations and as part of the preparation for the World Summit for Social Development itself, was the seminar of October 1994, held in Bled, Slovenia, on "Ethical and spiritual dimensions of social progress". The Copenhagen Declaration on Social Development,[1] adopted at the Social Summit in 1995, recognized the need for "dynamic, open, free markets"[2] and reflected such values and goals as are endorsed by the international community through the United Nations, upon the foundation provided by the Charter and the Universal Declaration of Human Rights.[3]

The extent to which and the manner in which market economies, and their globalized part, ought to be modified, oriented, regulated, in order to improve their contribution to the betterment of the human condition throughout the world, constitute a question being addressed from many perspectives. At the seminar, the shared perspective was universal and normative. The market economy system, and its diverse avatars were debated from the viewpoint of the moral norms and values the system reflects, propagates, implements or threatens. Using national and regional examples, this reflection aimed at the universal, because the United Nations is concerned with the common good of humanity.

The present report begins with the reasons for reflecting on values and market economies and proceeds to examine how these "values" should be understood and what those "values" are that are expressed by the dominant market economy system. Material poverty in its extreme forms should be eradicated and inequalities of all types should be reduced while disseminating the founding values of the market economic system.

The seminar identified a number of intellectual and moral attitudes in approaching issues of values and society. The capacity to listen, *inter alia* to "hear" those who are silent, is a sine qua non of any reflection and debate on values. The person ought to be at the centre of all policies and economies ought to serve human welfare. The frequent gap between discourse and practice, rights and concrete situations, beautiful abstract pronouncements and sordid living conditions, words in the wind and words followed by action, which is a feature of the human condition and a testimony of human failing, should nevertheless be seen as a constant danger, and temptation, to be overcome if any pronouncement on values is to have credibility.

This report proceeds to explore the objectives to be pursued and questions to be addressed. It was emphasized during this seminar that a "new political project" was a necessary counterweight to the ideas and interests promoting global capitalism. New relevant developments include the shifting away from a "State-centric" world with emergence of new actors; changes in geopolitics with evolving security relations; and the forming of new coalitions involving those who protest against "globalization from above" and the Governments of countries that are currently not represented in world decision-making processes. In a similar vein, the use of "an overall social

philosophy" was advocated to balance the currently dominant individualism. International organizations, notably the United Nations, were called upon to reinforce and develop the involvement of non-governmental organizations in their work.

A number of specific suggestions, more of an institutional nature and pertaining to the international scene, were made but could not be debated upon owing to lack of time. These are enumerated in the last section of this report for further debate. The list of participants is contained in the annex to this report.

---

[1] *Report of the World Summit for Social Development, Copenhagen, 6-12 March 1995* (United Nations publication, Sales No. E.96.IV.8), chap. I., resolution 1, annex I.

[2] Ibid., sect. C, commitment 1 (e).

[3] General Assembly resolution 217 A (III).

Contents

		Paragraphs	Page
I.	Three reasons for reflecting on values and market economies	1–3	5
II.	How should "values" be understood?	4–7	5
III.	Values expressed by the dominant market economy system	8–16	7
IV.	Attitudes with respect to approaching issues of values and society	17–26	9
V.	Objectives to be pursued and questions to be addressed	27–33	12
VI.	Some suggestions for further debate	34–39	14
Annex			
	List of participants		16

I. Three reasons for reflecting on values and market economies

1. Economies are arrangements for the production and exchange of goods and services that reflect the values of their actors and in turn contribute to forming the moral and political contours of society. In the ethos that shapes the prevalent modernity and the process of globalization, this contribution is massive. The public discourse is dominated by the quest for prosperity and economic power. Individuals have their lives organized around their professional career as a source of income, personal satisfaction and social status. The institutions of market economies, be they corporate headquarters, banks, supermarkets or advertisements, have a commanding position in the urban scenery. They dwarf religious buildings, schools and theatres, and compete successfully with State institutions. In the modern psyche, progress is largely identified with technological change and economic development.

2. To this first reason for reflecting on the relationships between values and economies may be added the fact that market economies differ greatly in the quality of their contribution to social objectives. Some generate improvements in the level of living of all social groups and classes. Others tend to create a concentration of financial power. Some are regulated by laws and moral norms ensuring a fair level of decency in their modes of operation. Others are marred by cynicism and corruption. However dominant in the collective agenda, economies are not ends in themselves. Their quality has to be gauged with social and moral criteria reflecting the values of the communities concerned. From the perspective of the United Nations, of the principles and goals of its Charter, national economies and the emerging global economy have to be assessed in relation to their contribution to the betterment of the human condition, a goal that conferences such as the World Summit for Social Development has translated into commitments and policies.

3. Moreover, there is growing recognition by economists, other social scientists and politicians that the performance of a market economy, as measured by traditional indicators such as the growth of the national product, is largely attributable to the skills, values and norms of behaviour of its actors. Not only entrepreneurs, workers and employees and their associations and unions, but also consumers as well as public servants and legislators, shape the specific characteristics of an economy by the aspirations they have and the decisions they make. There is a continuum from the micro- to the macrolevel of functioning of an economy. The culture of its actors is probably more important than its endowment in natural resources. What is sometimes called the "new economy", with its emphasis on knowledge, information and communications, can only reinforce the prominence of this cultural element in accounting for differences in economic performance.

II. How should "values" be understood?

4. The most important values emphasized by the Social Summit are directly taken from the Charter of the United Nations and the Universal Declaration of Human Rights,[a] with the critical addition of the notion of sustainability which gained international recognition through the United Nations Conference on Environment and Development held in Rio de Janeiro in 1992. These values, as they particularly relate to the functioning of market economies, are everyone's right to an adequate standard of living, the enjoyment of freedom and other basic rights, including workers' rights, a sustainable style of economic development in physical, moral and political terms, an openness in the relations of economic agents and countries, respect for diversity in the context of sharing core values, and cooperation of all concerned in the construction of a democratic and fair world order. In a United Nations perspective, those are the values that should, for instance, inform judgements on the current process of economic globalization.

5. The claim of these values to universality stems from their embodiment in texts and treaties duly ratified by most nations of the world, starting with the Charter and including the International Covenant on Civil and Political Rights[b] and the International Covenant on Economic, Social and Cultural Rights.[c] Of equal significance is the related fact that fundamental values are common to the great religions and philosophies that humankind has invented to move beyond the state of nature. What ought not to be done, for instance, to kill, abuse or exploit one's fellow human being, and what ought to be done, for instance, to have compassion, charity and a sense of justice, are injunctions and prescriptions cutting across cultures

and civilizations. The historical and, alas, still actual misuse of religions and moral philosophies with a universal intent for purposes of domination and control should not obscure the evidence that the sharing of a common humanity is fundamental to the human race. Basic decency, *inter alia*, in economic transactions, is a virtue that is commonly understood, if not always practised, across cultures and continents.

6. Values, however, including those that ought to be seen in a universal perspective, are born, lived, debated and contested in a local and historical context. They cannot be "taken" from a chest, or a warehouse that would be under the custody of the United Nations or any other authority. They pre-exist implementation only in their abstract, albeit absolutely indispensable, form. Short of incarnation into human actions and institutions, values are only platonic ideas. The first consequence is that the passage from the theoretical to the practical, from the realm of principles to the realm of actions, is a continuous challenge that ought to be lived and acted upon as a never-ending struggle in which all authorities, public and private, secular and religious, and all citizens are involved. A corollary of this demanding consistency between moral values and virtuous behaviour is that, during periods of pragmatism and emphasis on the immediately practical and concrete, a return to theories and principles is necessary. There are habits of the mind and heart that enable societies to dispense with debates on underlying values. However, a mix of pragmatism and cynicism sever actions from moral principles, as sophism and hypocrisy cut off the moral discourse from tangible deeds. This is an added justification for debating values at this particular historical juncture. Market economies are neither reducible to actions that are obvious, "natural" and outside moral enquiry, nor made of abstract axioms such as "free enterprise" or "free trade" that are protected from testing and questioning. The second consequence is that values are always evolving. Formulated, implemented, defended, transgressed, ignored by individuals and institutions, values are understood and lived as moving and changing targets. To be faithful to a fundamental value such as the equality of all human beings, or the prohibition of any form of discrimination, or the superiority of cooperation over confrontation, is to accept debates on different interpretations of such values and on their concrete meaning in different circumstances. To refuse such debates is an admission of discomfort or a display of inexcusable arrogance. Values cannot be used as a stone wall against social change, or a fortress against political dissent. Protected by fear, they become sterile. This is also to recognize that values are not promulgated and promoted by a single actor, located at the centre of world affairs, but by a multiplicity of actors interacting in always-changing configurations. The Western world does not have a monopoly on values, nor does any particular religion or political philosophy. This is not, however, to condone eclecticism, relativism and laxity. Again, given the spirit of the time and the emphasis on the immediate satisfaction of self-, corporate or national interest, it is critical to combine openness and firmness and to keep moral markers so as to ensure an element of stability in a very rapidly changing world. For example, labour and capital are both evolving but an equitable balance of power and interests between the two remains a morally and politically worthwhile objective.

7. Basic values that define human decency and the human spirit have unity and continuity in their domains of application. It would be fallacious, and unpractical, to conceive of a system of values for markets, of another for public institutions, and of still another for the private sphere of life. Neither society nor the person can be divided into autonomous realms with different moral norms. Referring again to great religions and philosophies, most proclaimed the unity of the human being. The same need for continuity applies to the construction of a global community. International organizations, whether involved with finances and trade, or with the resolution of violent conflicts, have to share a common moral philosophy and ethical code. This is one of the purposes of the Charter. And an addition of predominantly non-democratic States and corporations will never constitute a democratic global community. Such continuity is conceivable, however, only if compatible with the different functions and purposes of the different institutions and types of activity that constitute a harmonious society, or global community. Along a continuum expressing the unity of life and coherence of society, the fundamental has to be distinguished from the instrumental, and the eternal from the contingent. The moral philosophy of the community has to be such that the public servant, the entrepreneur, the artist, the student or the retiree can share and practice the same basic values while performing different tasks and responding to different types of instrumental rationality. And the same person

has to be able to behave with integrity and empathy for the "other" while seeking to make a profit, or trying to be a politically active citizen, or raising a child. To ignore the distinction between fundamental values and instrumental norms of behaviour applicable in different circumstances is to risk, or deliberately promote, at one extreme a totalitarian or theocratic State, and at the other extreme a market society. In the latter, values and norms applicable to economic transactions, notably money as a medium of exchange, invade and dominate other spheres of life and society. Instrumental values become fundamental values. In the former, the autonomy and freedom of the individual to engage in different activities are denied, and the indispensable market economy cannot function.

III. Values expressed by the dominant market economy system

8. In its essence, the market economy system responds to fundamental aspects of human nature and life in society. Food, shelter or any other basic material need of the individual can be satisfied through coercive means, including rationing, and economies can be prosperous in terms of investment, production and growth in a totalitarian political context. There have been such examples of "success", at least for periods of time, during the twentieth century, and certainly before in closed and stable civilizations. But the true market economy is based on the freedom of the individual to have a productive activity, to exert his or her initiative and creativity, to benefit materially, emotionally and socially from such activity, and to be in a position to transmit its fruits to his or her descendants. Freedom to produce and sell and exchange, creative work as opposed to slave labour, and private possession of one's skills and assets are therefore the critical values and virtues of the market economy system. These values are fully recognized in the Universal Declaration of Human Rights, in other basic international texts, and in the constitutions of most countries.

9. The seminar recognized that, from this standpoint, the market economy system is irreplaceable. No alternative arrangement has been found to create and exchange goods and services in a context of individual freedom and autonomy. A number of economies, including some very large ones, do not have as yet such basic features and virtues, and progress in this direction, *inter alia*, through international cooperation, is critical for the countries concerned and for the promotion of global democracy. The seminar also recognized that those values that constitute the essence of the market economy system can be perverted, as evidenced for instance by situations of monopoly or oligopoly, or unemployment, or tax evasion and corruption. Such perversions stem from abuse and misuse of freedom and from the deficiencies of one or several of the actors involved in the functioning of market economies, including public authorities. The seminar further recognized the great diversity of market economies. This diversity is expressed by their levels of performance in traditional quantitative aggregates; by the degree to which they foster the values of freedom of initiative and participation in economic life which constitute the essence of the system; and by their contribution to the larger set of values recognized as relevant to the betterment of the human condition.

10. On this basis, the seminar concentrated its discussion on a number of problematic or questionable features of the currently dominant version of the market economy system. This is the version that might be called global capitalism and that is currently dominating the world scene.

11. There is great fragility in the global market economy. One reason is the intensive and growing use of sophisticated technologies for production, information and communications. Complexity and reliance on fallible instruments bring fragility, whether for a household or for a national or global economy. The second reason is the ever-increasing interdependence of the economic actors, Governments or corporations. Not only economic autarky but economic and financial independence is a quickly receding possibility for everyone, including the most powerful. These two elements are part of the long-term trend towards a smaller and more integrated world, and as such ought not be regretted or deplored. Only, precautions have to be taken and safeguards found. The third reason for fragility pertains, however, to the enormous role of financial markets and to the partly artificial nature of economies that find their "prosperity" in levels of remuneration of capital reaching 15 per cent over a long period. The warning of the "Asian financial crisis" which took the form of severe punishment for the middle classes and workers of the affected countries, has not yet generated

measures to eliminate this clearly negative facet of global capitalism. The individual, corporate or State capacity to deal, or play, with the fragility of the world economy is not a virtue. It ought not to be confused with the capacity to evaluate risks and to take responsible decisions.

12. The concentration of economic and financial power in the world, involving Governments and corporations including the media, and noticeable within most countries as well as globally, runs counter to the basic values justifying the superiority of the market economy system over other, less libertarian arrangements and is adverse to the values of equality, equity and participation. It reflects the opposite of the democratic ideals propounded by the powers who also benefit financially from it. It is creating dual societies and a dual world. At this point, there are no international instruments to stop or at least effectively regulate the wave of acquisitions and mergers that create this concentration and that are seemingly made "necessary" by the logic of the globalization process. The reduction of personnel and concomitant positive responses of the financial markets add a touch of caricature to an otherwise dangerous trend that benefits a few and affects many negatively. The seminar could only note that much has to be done to modify the terms of international competition and the rationale for corporate expansion that appear to be among the roots of this global concentration of power. It could also only recognize the fact that such concentration has enormously significant political and cultural facets and consequences, *inter alia*, through advertising and the dissemination of a model of consumption and the "good life" by media with a global reach.

13. The short term is the time-horizon of markets and market economies, focused as they are on financial markets, quick profits and ways of surviving and expanding in an environment perceived as precarious and dangerous. This feature is associated, in a complex web of causes and effects, with other characteristics of the dominant culture of the time, including the demand for immediate satisfaction of needs and appetites, the excessively utilitarian conception of education and learning, the use of narcotics and other forms of escape, and probably also the violence that plagues some societies. This is a culture of the moment. It has a sort of "instantaneousness" that renders very difficult efforts to protect and restore the quality of the natural environment and that precludes serious policies to promote the common good. Markets in themselves, however well functioning, cannot — and should not be allowed to try to — respond to all the needs and aspirations of people and to all the requirements of life in society and in a globalized world. An excessive focus on the short term makes market economies even less able to contribute to the well-being of individuals and the harmony of society. Such a focus is not an inherent characteristic of capitalism. To the contrary, a lot has been said and written on the ethic that has permitted the emergence of prosperity as a feasible collective value and project. At this beginning of the twenty-first century, however, the quest for a sustainable type of development and social progress is undermined by this obsessive preoccupation with the short term and its tantalizing benefits.

14. Related to the above is the tendency to seek simplistic solutions and "quick fixes" to complex problems. Often, in both private and public institutions, comprehensive studies and debates lead to prescriptions that endow a particular idea with all the attributes of a perfect solution when in fact it neglects entire facets of the issue. The struggle against poverty provides numerous examples of this too-facile political culture. For some, work and employment are the response to all forms of poverty, whereas in both affluent and low-income countries there are individuals and groups who need protection and assistance from public or private sources. Severely handicapped people provide only the most obvious example of such cases. Though the central importance of work and employment is a very sound point, the perception of work and employment as a panacea leads to truncated policies. The same applies to the role of "safety nets" to protect people from the negative consequences of economic reforms and "structural adjustments" programmes. They do not reduce the need for preventive policies of a distributive nature and for collective forms of social protection. And different societies and cultures require different types of assistance for and protection of the weak and vulnerable. Still with regard to poverty and lack of economic development, the role of foreign private investments has also been often presented in a too-simplistic and exclusive manner. These investments, treated as a "flow" in spite of their concentration in a few countries, are a complement of and not a substitute for forms of public transfers and solidarity, including official development assistance. Perhaps as much as ideological bias, selfishness and lack of capacity to

imagine the plight of those who suffer and have no hope, this sort of oversimplification of issues central to the implementation of otherwise endorsed values is revealing the cultural domination of a narrowly financial conception of efficiency. Rationality has many meanings, some richer than others.

15. Technologies and technological changes, which should not be confused with the process of economic globalization currently unfolding, are dominating the functioning of advanced market economies. This is not a new phenomenon, and a number of innovations are beneficial to the communities concerned, but there is in most sectors of activity a marked acceleration of technological change, and it seems that the pressure on the directly affected workers and employees is increasing. The terms of the difficult balances between the interests of the employers and the interests of the employees cannot be stable over long periods. They have to be periodically renegotiated in relation to technological and other transformations. During the last few decades, however, these balances have been disrupted in favour of capitalist interests. Precariousness of positions, short-term contracts, part-time work and other similar development have created a "flexibility" of the workforce seen as a necessity by the employers and often lived as insecurity by the workers. The driving forces of the economy, the priorities in the decisions that shape the corporate world and the creation of "global markets" are only marginally concerned with the fate of those whose daily living depends on salaries. It was pointed out during the seminar that the workforce of market economies now comprises three categories: the professionals, who master the new technologies, *inter alia*, in communications, and are fairly independent, as there is high demand for their services; the workers, who remain in the same enterprise or sector, as they are able through frequent retraining to adjust their skills; and the "others", who are subjected to all the fluctuations in technologies and labour markets, have no control over their employment and often become marginalized. The dominant conception of modernity implies precariousness in the lives of a great number of peoples.

16. Modernity also marks the triumph of a materialist conception of what constitutes a good life and a good society. When the logic of market transactions invades most spheres of social life, everything becomes a commodity and ultimately nothing is worthy of respect. Every system that is pushed beyond its normal limits, whether it is central planning or the market economy system, becomes oppressive. The values that sustain a society have to come from different sources and different institutions. The same applies to the world community. Its contours cannot be shaped only by the development of global markets. This problem of the sliding of market economies into market societies is evidenced by the cultural and spiritual poverty that is inflicted on people who are constantly and noisily invited to be good consumers. There is much squalor in the suburbs of the cities of prosperous and poor countries alike, and much spiritual vacuity in the minds of those who are trained to produce and consume. One of the major challenges of the coming decades is to propagate the virtues of the market economy system while fighting the threat of the market society syndrome. A majority of people in the world do not benefit from the standard of living, level of education, and security that is considered adequate at this point of human history. From the universal and humanist perspective taken by this seminar, there is no excuse for this state of affairs. And there is no doubt that the founding values of the market economy system have to be disseminated. As emphasized by the Social Summit, material poverty in its extreme forms has to be eradicated and inequalities of all types have to be reduced. But, at the same time, in parallel, and obviously first of all in affluent societies, the dominant materialist culture has to be criticized and enriched.

IV. Attitudes with respect to approaching issues of values and society

17. The question invoked above of poverty and materialism, or the virtues of market economies and the defects of market societies, illustrates the difficulty of this type of reflection and debate. Dangers of oversimplification, of intellectual or moral arrogance, of focusing on the most visible elements and neglecting entire facets of the human condition, are very much present and very difficult to overcome in this currently very necessary undertaking of "deconstructing" and "reconstructing" the values that shape the dominant conception of modernity. In the course of its short work, the seminar identified a number of intellectual and moral attitudes that should be helpful. They are

summarized here as a preface to the suggestions/ recommendations that follow.

18. Intellectual modesty and humility constitute a virtue whose relevance grows with the complexity of the subject under debate. The information available and the information and knowledge that can be mastered by a person, a board or an assembly, are always limited. Hasty conclusions and excessive generalizations have to be feared, unidimensional analyses and prescriptions have to be avoided, and simple relations of causality are normally suspect in matters of social life. A phenomenon such as the "monetization" of research activities, or the concentration of economic power, does not have a unique cause. At the same time, as every virtue can be misused, the cautiousness that is implied by intellectual modesty should not preclude the formulation of conclusions and generalizations when those are necessary to move the debate forward. This type of trade-off is illustrated above by the recognition of the great diversity of market economies followed by a critical list of the values expressed by the "dominant" market economy system.

19 Intellectual and moral courage ought to be compatible with humility. Debates on values and institutions such as those of the market economy system can become alibis and diversions from hard political choices if they avoid complex and controversial issues. The question of migrations in all its aspects, including the appeal that rich lands exert on people from poor regions and the living conditions of migrant workers, was mentioned during the seminar as the issue "par excellence" that ought to be addressed in debates on values and market economies. Another example of an issue that tests the sincerity and consistency of discourses on values is the relationship between wealth and poverty, among classes and among countries.

20. Intellectual awareness, and curiosity about the different facets of the issue under scrutiny, and about the various points of view it provokes, constitute another useful mental attitude when debating values. These are necessary markers in a world that is anything but stable. Yet values also change, in their interpretation and concretization, if not in their fundamental meaning. To interpret the evolution of the world economy in the light of the commitments made in Copenhagen in March 1995 requires fidelity to these goals but also awareness of the changes that have and will continue to modify the cultural and political landscape. And the relative visibility of political positions on the world scene is not necessarily indicative of their appeal and seriousness. Debates on values normally generate a fair amount of posturing.

21. The capacity to listen, *inter alia*, to "hear" those who are silent, is a sine qua non of any reflection and debate on values. There is superficial and polite listening and true attentiveness. The latter implies that one entertains the possibility of changing one's views, that one regards any interlocutor — person or institution or nation — as an equal, in other words, as neither an inferior nor an intimidating superior, and that one has a genuine conviction that the truth is always better approximated through a confrontation of diverging views than through a policy of intellectual and moral intimidation. The dominant power and the dominant culture are not "naturally" inclined to listen with the intention of learning. The difficulties encountered in the dissemination of values linked with democracy and human rights are due in part to the historical incapacity of Western culture to engage in a real dialogue with other cultures. In spite of the process of globalization, there are — and perhaps because of it in the near future there will be — different conceptions of the world and the desirable future of humankind. A world community cannot be built on imposed values.

22. Dialogue means listening and also ensuring the clarity of one's own perspective. The same issue can of course be painted in very different colours, depending on the angle taken by the artist or the analyst. Economic globalization, for instance, can be seen "from above", as a market-driven phenomenon that is benefiting 80 per cent of the world population, or "from below" as a democratically oriented process of economic growth with an ethical dimension that will benefit the 80 per cent of the same world population that is currently left out. Both estimates are correct, as they use different facts, indicators and perspectives. The role of the United Nations, as the convenor of a debate among parties having such divergent views, is partly to help clarify the premises, assumptions, analyses and conclusions of those parties.

23. Such clarification means also a strong interest in the distinction between ends and means. A critique of the dominant culture and the conception of modernization and globalization ought to be made around the working hypothesis of a pervasive confusion between ends and means. It has been pointed out for many decades that economic indicators such as

the gross national product (GNP) per capita or the growth of trade represent means rather than levels of accomplishment of a society in its quest for prosperity and better standards of living. It suffices to recall that the GNP of countries badly damaged by natural or criminal, catastrophes would logically increase because of the activities required to clean up the damage, including destroyed historical landmarks. And even a utilitarian philosophy would have problems seeing consumption as an end, or objective of life. Yet the language of the international and national discourse on development and progress, and the related policies, continue to confuse and often reverse ends and means, notably by treating "social" questions as "consequences" or even "obstacles" to economic and financial decisions. The approach opened by the Social Summit, in its recognition that the person ought to be at the centre of all policies and that economies ought to serve human welfare, needs to be pursued.

24. Related to the above is the necessity of regaining a long-term perspective on societal problems and their solutions as well as on the values that should orient social change and render possible the distinction between progress and regression. One of the consequences of the "culture of the moment" is that all changes of whatever origin and quality tend to be accepted as unavoidable. To influence values such as equity and equality, to stop their decline and rethink their meaning, and to disseminate new values related, for instance, to the new techniques of information, are tasks of enormous difficulty requiring reflection, debates, strategies and perspectives in the medium and long term. Such perspectives are neither politically neutral, nor of a technocratic nature. They touch upon the most fundamental aspects of life in society. In this context, it was asserted that utopias ought to be rehabilitated, as instruments to guide reflection and action. Contrary to most examples from the past, which have a comprehensive ambition and a closed set of prescriptions, utopias of use to modern times should be open. They should be working instruments subject to debates and revisions.

25. Most importantly, questions of values and society ought to be approached with the conviction, or at least a mind open to the possibility, that values and norms can be strengthened, disseminated and modified through a multiplicity of individual actions and institutional policies, and with full respect for democratic ideals and processes. This non-deterministic, voluntarist and normative attitude is consistent with the remark made above that values are not entities kept in a museum of human dreams and illusions. They are critical elements of a historical process that is essentially political in nature and that involves all main actors. Public authorities, the State in its various branches, and regional and international organizations, have a most decisive role to play in this process, not only as referees between the interests and values of the workers and those of the employers, or between short-term and long-term perspectives, but as guardians, creators and implementers of the common good. A weakening of public authorities — notably in their capacity to think and act independently of private corporate forces which, however essential and powerful, represent only a segment of society and of the globalized world — was noted and deplored by several participants in this seminar. A crisis of politics and the polity was evoked, in relation to performance of fundamental functions of protection of citizens, legitimacy, image and capacity to set the tone and lead. The "short-termism" mentioned above is one of the symptoms of the crisis of the res publica that has marked and marred the last decades of the twentieth century. The image was used that too often the motto of political life appeared to be borrowed from the fast-food technique: "quickly made, quickly consumed, quickly forgotten" ... When States are authoritarian, efforts are required to democratize them. When weak, they need strengthening. When subordinated to sectoral interests, they should be reminded that power is legitimized by service to the community. Market economies can function properly and contribute to the welfare of the community and the world only when supported, regulated and controlled by efficient and democratic States. Any power calls for a counter-power.

26. Lastly, the frequent gap between discourse and practice, rights and concrete situations, beautiful abstract pronouncements and sordid living conditions, words in the wind and words followed by action, which is a feature of the human condition and a testimony of human failing, should nevertheless be seen as a constant danger, and temptation, to be overcome if any pronouncement on values is to have credibility. In this domain, lack of consistency and double standards not only damage the prestige and credibility of those who indulge in such a practice, but also have destructive effects on the principles and values that are both proclaimed and transgressed. Cynicism is a formidable

enemy of good economies and good societies. An example of inconsistency pertaining to shared values and an efficient market economy was given to the seminar. Country X, developing, and anxious to move ahead on all economic and political fronts, follows the injunctions of Western powers and international organizations and implements some of the provisions of the International Covenant on Economic, Social and Cultural Rights, notably the right of association, which means that unions will be appearing in industries that have so far been run without the collective involvement and participation of their workers. Subsequently, the same country is visited by a private firm of consultants and analysts whose judgements on the attractiveness of developing countries for private investors carry considerable influence. The rating of country X goes down, as investors would presumably draw smaller returns from industries where workers will have a better chance of improving their share of expansion and the gains in productivity. Progress in the implementation of universally accepted values is thus punished by sanctions damaging economic progress.

V. Objectives to be pursued and questions to be addressed

27. It is necessary to rethink the person in a holistic mode, to realize that human beings are producers, consumers and also loving, artistic, religious, spiritual beings. This fundamental wholeness of the person applies to the powerful and the weak, but those invested with power in the management of human affairs have a particular duty and responsibility to promote a sense of unity that transcends sectoral policies and interests. The modern citizen, of a nation and of the world, and also of a city and a region, has various identities requiring various political expressions in different settings and institutions, but the unity of this person comes from values that give consistency and orientation to thoughts and actions.

28. Overall, the objective is to improve the consistency of market economies, including the emerging global economy, with respect to the universal values that underlie the goals endorsed by the international community, notably through the Social Summit. More consistency would mean a greater contribution to the spreading of these values, and better market economies would mean better societies and a more peaceful world. Among the relevant questions are:

- How to limit the current domination of market rationality in domains where it should be only one approach among others;
- How to maintain, and promote, the institutional diversity that is indispensable to the expression of the needs and aspirations of the person, and without which there is poverty of the spirit and sliding of communities into market societies;
- How to rethink the "social" as involving the well-being of individuals and the harmony of society and integration of the economic as a means;
- How to ensure the observance of universal norms of behaviour, for instance, in relation to working conditions and on the basis of the distinction between what is tolerable and what is intolerable for human dignity, while taking into account vast differences in cultures, circumstances and levels of economic development;
- How to give a renewed priority to education as a fundamental human right and a condition for individual well-being and social harmony;
- How to preserve and promote cultural diversity while favouring the growth of the global economy;
- How to resist the current concentration of economic and financial power;
- How to orient technological change towards social progress, and make positive use of information technologies;
- How to replace the interests of workers and employees at the centre of corporate decisions.

29. Related to the above, and to be pursued in parallel, is the objective of transforming universal values from abstract principles into actually shared norms of behaviour. This will never be a completed task in a free and democratic world, but agreement on the direction of progress and involvement in a variety of processes are critical to the pursuance of this objective. Obviously, the institutions of market economies are among the most important channels for this incorporation of universal values. Such a quest involves the following:

- A new emphasis on the search for equality and equity, in societies and in the world and global community;
- The creation of space for generosity, altruism and solidarity;
- A rethinking of the notion of security, in its individual, collective and global dimensions;
- A reflection on the tension between the global and the local;
- The involvement of various actors, including religious institutions, in debates on common values;
- The design of methods and institutions to integrate "new" and "traditional" actors into genuine work on values and the functioning of market economies, with an emphasis on partnership, on the sharing of knowledge and the dissemination of "best practices";
- The resumption of the work on elaborating statistics and indicators that could capture and reflect the diversity in living conditions, the changes that affect them, the evidence of social progress and social regress, and the various facets of the process of globalization;
- The rehabilitation, or rejuvenation of politics and the polity, and a renewed emphasis on the need for humane, democratic and effective States that fulfil their role in complex societies more involved in the construction of a viable global community;
- The reinterpretation of democracy at the local, national, regional, international, and global levels, if not in its basic principles and ideals, then in its procedures and institutions.

30. International organizations, notably the United Nations, have a prominent role to play, by their mandates and in fulfilment of the purposes of the Charter, in this task of developing common values and orienting market economies towards the betterment of the human condition. It was noted that the United Nations had the duty to promote moral values in public life, and to work towards the elaboration of a global ethic that would be an open ideal and an inspiration for concrete actions. In this context, it was stated that the global conferences organized by the United Nations had outlined a moral and political framework according to which each society must have:

(a) An economy that provides the material means and public services required for human dignity;

(b) A sense of responsibility for the welfare of others, including, particularly, future generations;

(c) A commitment to equality of status and opportunity, particularly between men and women;

(d) A respect for diversity, the right of others to be different;

(e) A political process that is inclusive and participatory;

(f) A commitment to non-violence, an acceptance that differences can be resolved in peace.

31. The United Nations was, it was pointed out, a neutral and accepted body commanding the trust and confidence of all the people in the world. It should reinforce and develop the involvement of non-governmental organizations in its work.

32. It was also emphasized during this seminar that a "new political project" was a necessary counterweight to the ideas and interests promoting global capitalism, that this project should be a path to human governance for all people in the world, that it should be as receptive as possible to the thinking coming from different cultures, and that it should be ethically founded on a global scale. New relevant developments include the shifting away from a "State-centric" world with the emergence of new actors; changes in geopolitics with evolving security relations; and the forming of new coalitions involving those who protest against "globalization from above" and the Governments of countries that are currently not represented in world decision-making processes. A new political project would be part of a normative awakening in a time that is becoming receptive to the introduction of ethical and spiritual values in the dialogue across the world.

33. In a similar vein, the use of "an overall social philosophy" was advocated to balance the currently dominant individualism. This social philosophy would emphasize the need for a balance between personal freedom and an individual's responsibility for the welfare of others, especially the vulnerable and the disadvantaged; would value the community acting together through the government to achieve various

goals ranging from protecting the environment to achieving full employment and eradicating poverty; and would recognize that humankind's responsibility for helping fellow humans extends beyond national borders.

VI. Some suggestions for further debate

34. During the course of the seminar, and apart from the other points reflected in this report, participants made a number of specific recommendations, generally of an institutional nature and generally pertaining to the international scene. These suggestions and recommendations were hardly debated, for lack of time. Neither accepted nor rejected by the seminar, they are outlined below.

35. To modify positively the current functioning of the world economy, reforms in international financial relations should be undertaken in the relatively short term. They should include (a) increasing regulations, particularly to hinder deliberately destabilizing speculation by hedge funds and others, through controls or taxes on short-term capital flows; (b) putting more of the cost of international financial crises on international lenders: when the International Monetary Fund (IMF) or national Governments provide funds to bail out private sector lenders, some contribution from these would be required; and (c) widening international representation in the management of these international financial relations.

36. To help with the identification, dissemination and implementation of common values, a number of measures are feasible. Those with the competence to do so should extract common values from their religious texts and precepts and present them in books, leaflets, films and other means of reaching a large audience. Religious leaders should hold discussions on the notion of "good market economy" that is implied by their founding texts and scriptures. The United Nations should elaborate a declaration on the values and virtues that are necessary to the good functioning of market economies. These prescriptions should become part of curricula and educational programmes.

37. A set of measures, within the current configuration of the United Nations, should be envisaged to help the functioning of the Organization. The agenda of the Security Council would be extended to cover major critical issues of global concern. The General Assembly would hold a session on social justice, in relation to the major trends and decisions that affect the world economy and polity. The membership and role of the Commission for Social Development would be strengthened, *inter alia*, for consideration of the values and norms that sustain social and economic progress. The bureaux of the various committees and commissions would meet more frequently, *inter alia*, in joint sessions, to debate on common approaches to the issues under their mandates. The currently not very visible Ad Hoc Group of Experts on International Cooperation in Tax Matters would become the embryo of a forum to debate overall issues of taxation in relation to development and international cooperation. The non-governmental organizations would be encouraged and given the means to participate more actively in the various deliberations of the Organization. The Inter-Parliamentary Union would be invited to hold one of its sessions in New York. A special effort would be made to clarify and publicize the objectives of the international community, for instance, with regard to the global campaign to end poverty.

38. It was asserted that it was necessary to elaborate a new corpus of ideas for international and global organizations, as had been the case in 1945 in respect of the creation of the United Nations and the Bretton Woods institutions. In this context, three ideas were put forward:

(a) A Commission for Cultural Dialogue, or for Common Values, or for the Ethical and Spiritual Dimensions of Progress, should be created within the United Nations. It would bring together representative of States as well as scientists, philosophers, entrepreneurs, artists, religious leaders and representatives of those who have no voice in international forums. It would deliberate on common values to shape a common future. It will be recalled in this connection that the Social Summit fully recognized the moral and spiritual facets of the human condition and of the policies that aim at fostering international cooperation. It will also be recalled that 2001 was proclaimed by the General Assembly as the United Nations Year of Dialogue among Civilizations;

(b) An Economic Security Council, or Economic and Social Security Council should be established, with representatives from all regions and a secretariat ensured by the United Nations. From this

base, a new configuration of international organizations and processes would progressively emerge, in the light of changing circumstances and issues. Within or outside this Council, but related to it, would be an Observatory of Social Conditions and Trends which would continue the work initiated by the Social Summit in Copenhagen in 1995 and by the special session of the General Assembly entitled "World Summit for Social Development and beyond: achieving social development for all in a globalizing world" in Geneva in 2000. It will be recalled that the Commission on Global Governance proposed in 1995, in its report entitled *Our Global Neighbourhood*, an Economic Security Council, independent of the Security Council, with a different membership, and with functions ranging from assessing the overall state of the world economy to securing consistency between the policy goals of the various international organizations;

(c) A Global Peoples Assembly should be put in place by the civil society with the help of willing States, and with an ambition to practise transnational governance. This Assembly, for which the European Parliament is a sort of model, or precedent, would derive its legitimacy from popular sovereignty on matters that transcend national boundaries and that should not be treated exclusively through the cooperation of national Governments or the strategies of corporations with a global reach. It would be an element of the large array of international and global organizations that are operating to manage an increasingly complex and open world.

39. If there was a dominant theme, or dominant preoccupation during the work of this short seminar on values and market economies, it was the feeling and conviction that renewed wisdom was much needed in the management of personal, corporate, national and international issues. Moderation ought to be the order of the day, in markets and public policies, as well as in mobilizing ideals and utopias — in other words, moderation in all endeavours, except the quest for social justice.

Notes

[a] General Assembly resolution 217 A (III).

[b] See General Assembly resolution 2200 A (XXI), annex.

[c] Ibid.

Annex

List of participants

International experts

Khalid **Alioua** (Morocco)

Kamel **Al-Sharif** (Jordan)

Torben **Brylle** (Denmark)

Andrei **Bugrov** (Russian Federation)

Jacques **Delors** (France)

Richard **Falk** (United States of America)

J. M. **Folz** (France)

Francine **Fournier** (Canada)

Jean-François **Giovannini** (Switzerland)

Huang Ping (China)

Marie-Thérèse **Join-Lambert** (France)

Ruud **Lubbers** (Netherlands)

Cristian **Maquieira** (Chile)

Arthur **Mbanefo** (Nigeria)

Goenawan **Muhamad** (Indonesia)

Gautam **Mukhopadhaya** (India)

Poul **Nielson** (Denmark)

John **Nevile** (Australia)

Dominique **Peccoud** (France)

Margo **Picken** (United Kingdom of Great Britain and Northern Ireland)

Maria de Lourdes **Pintasilgo** (Portugal)

J. Stanley **Sanders** (United States of America)

Zola **Skweyiya** (South Africa)

Daniel **Stauffacher** (Switzerland)

Barbara **Sundberg-Baudot** (United States of America)

Tu Weiming (United States of America)

Danilo **Turk** (Slovenia)

Host Government

Ministry for Employment and Solidarity

Frederic **Martel**, Conseiller technique auprès de la Ministre de l'Emploi et de la Solidarité

Jacques **Maire**, Délégué aux Affaires européennes et internationales (DAEI)

Michel **Thierry**, Président du Comité national de suivi de Copenhague

Olivier **Villey**, Sous-directeur à la Délégation aux affaires européennes et internationales

Monique **Halpern**, Chef de la mission Nations Unies, DAEI

Patrick **Monod-Gayraud**, Administrateur civil

Ministry for Foreign Affairs

Chantal **Poiret**, Directeur adjoint à la Direction des Nations Unies

Jean-Louis **Riddell**, Bureau du développement social, Direction générale de la Coopération internationale et du développement (DGCID)

François **Poinsot**, Sous-direction des Nations Unies

Didier **Le Bret**, Mission permanente de la France auprès de l'Organisation des Nations Unies

Other participants

Claude **Alphandery**

Andre **Fontaine**

Olivier **Giscard D'Estaing**

Henri **Mendras**

Bernard **Perret**

Rose-Marie **Vanlerberghe**

United Nations Secretariat

Nitin **Desai** (Chairman)

John **Langmore**

Gloria **Kan**

Shehnaz **Daruwala**

Adviser

Jacques **Baudot**